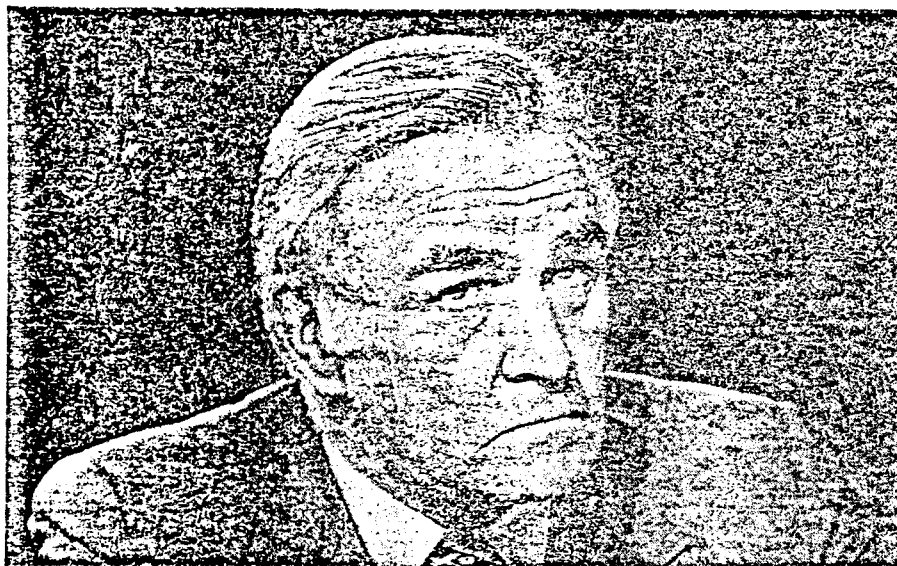


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CIA Director Stansfield Turner: under him, the agency's morale plummeted

## New Day for the CIA?

*The demoralized agency is headed for a major overhaul*

"It's a disaster out there." "The plant has depreciated enormously." "There are shortages just about every place you can think of." Comments like these from members of the intelligence community suggest that no other Government agency is in such urgent need of rehabilitation as the CIA. The agency has even fallen behind in its technology: top officials say that it does not have enough spy satellites. Its analysis has often proved faulty, most notably in Iran. Once grandiose covert operations are now run on a shoestring. Counterintelligence has been reduced to the point where many U.S. experts fear it is not adequate to cope with the CIA's principal adversary, the KGB, which is more active than ever.

Both the American public and Congress seem increasingly in the mood to back a substantial overhaul of the agency. There is a widespread perception that despite its lamentable excesses in the past, the CIA cannot be permitted to languish, that its mission is vital to U.S. security. Says Barry Goldwater, the new chairman of the Senate Intelligence Committee: "I think the CIA is going to find a very cordial reception here. It's difficult to discover any opposition to intelligence. We've learned a lot."

This attitude coincides with the new President's apparent determination to restore the muscle of the CIA and make it an important element of his Administration's global strategy. Reagan indicated his concern with the appointment of William Casey, his campaign manager and close adviser, as CIA director. Casey, a former chairman of the Securities and Exchange Commission, once served as a top-ranking officer in the CIA's famed predecessor, the OSS of World War II.

sociated with intelligence activities, but veterans at the agency look forward to working for him because of his reputation as a forceful manager who is open to ideas and surrounds himself with top-flight aides.

Casey's first task will be to strengthen intelligence analysis, the agency's basic responsibility. At present there is no lack of qualified recruits. Applications for CIA jobs have reached record levels; in fiscal 1980, 9,200 men and women asked for posts, for which 1,458 were hired. In addition to new hands, Casey is expected to bring back some of the talented oldtimers who were ousted in successive housecleanings during the past few years. The current director, Admiral Stansfield Turner, downgraded the importance of human beings in intelligence gathering on the scene. Says a veteran intelligence officer: "His big mistake was becoming intoxicated with our technical proficiency. It is a great instrument, but only an instrument." The agency has been particularly short of analysts in the world's crisis areas: the Persian Gulf, Central America, Africa.

Another top priority for the new director is improving counterintelligence. Reagan's CIA transition team solicited advice on the subject from the agency's longtime counterintelligence master, James Angleton, who was fired in 1974 by Director William Colby. It is generally agreed that U.S. counterintelligence efforts have fallen off sharply in the six years that followed, enabling Soviet agents to operate more freely in the U.S.

Along with personnel and equipment, the CIA needs a boost in morale. In an agency of special sensitivity, Turner treat-

amaged relations with foreign intelligence services. "How the hell can you make an attractive offer to a guy if you can't guarantee you can protect him?" asks John Maury, the CIA's former chief of Soviet operations. "The real problem is to get high-level penetrations of foreign power centers. Oleg Penkovsky (a top-ranking Moscow defector who supplied the U.S. with information on Soviet weaponry in the early 1960s) is worth a hundred Ph.D.s." But Penkovskys are not going to approach a porous CIA.

Without returning to the freebooting days of old, the CIA needs to recover its self-confidence and sense of purpose. The prospects for that look better than they have in some years. —By Edwin Warner. Reported by Don Sider/Washington



William Casey, Reagan's choice as director